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**Ways & Means Committee**

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**HB 2349**

**Brief Description:** Concerning disproportionate share hospital adjustments.

**Sponsors:** Representative Cody.

**Brief Summary of Bill**

- Disproportionate Share Hospital payments are limited to the extent that funds are appropriated specifically for this purpose and are subject to any conditions placed on those appropriations.

**Hearing Date:** 4/14/09

**Staff:** Erik Cornellier (786-7116)

**Background:**

Medical assistance is available to eligible low-income state residents and their families from the Department of Social and Health Services (DSHS), primarily through the Medicaid program. Most of the state medical assistance programs are funded with matching federal funds in various percentages.

The federal government matches state funding for Disproportionate Share Hospitals (DSH), which are hospitals that serve a disproportionate share of Medicaid clients or the uninsured. States make DSH payments directly to hospitals, and the federal government reimburses them for part of the payments based on each state's Medicaid matching rate. States receive a DSH allotment that sets an upper limit on how much federal Medicaid money they can spend on DSH payments.

The DSH program offers flexibility to states in how they distribute DSH funds. States are required to "take into account the situation of hospitals which serve a disproportionate number of low-income patients with special needs."

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

Under Washington law, DSHS must provide DSH payments considering low-income care and medical indigency components and a state-only component for hospitals that do not qualify for federal payments.

**Summary of Bill:**

DSH payments are limited to the extent that funds are appropriated specifically for this purpose and are subject to any conditions placed on those appropriations.

**Appropriation:** None.

**Fiscal Note:** Requested on April 1, 2009.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.